VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş. - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Operating in the fields of consumer electronics, white goods and information technologies with its more than 16.000 employees, Vestel Group of Companies (Vestel), which is the flagship of Zorlu Group, comprises of 29 companies, 13 of which are abroad. Vestel is one the largest consumer electronics and white goods producers in Turkey and Europe. The Company's manufacturing facilities are located in Manisa, Turkey and Poland. The Company enjoys economies of scale which results in productivity, efficiency, and cost advantages by undertaking the majority of its manufacturing within a single 723.420 square meter area, namely Vestel City, the largest industrial complex in Europe. Vestel Elektronik was established in 1984 and is mainly engaged in production of televisions, set-top-boxes, display panels, touch screens, tablets,smartphones, led lightings, car chargers. The strategic importance given to R&D has a key role in Vestel's ability to reach the fast rate of growth and strong competitive position the Company enjoys today. Vestel has improved its superior production technology and design development capability continuously though its team of 1000 engineering professionals employed in its R&D centers. The Company is attracting increasing attention with its modern consumer friendly and innovative products. Vestel designs its products and manufacturing processes to maximize productivity, while making a special effort to protect the nature and raise environmental awareness. Vestel places its "smart life" concept at the center of its brand culture, strengthening its innovative power with consumer and environmentally friendly, sustainable products. Underlying Vestel's unique, pioneering designs and innovative products is the Company's mission to leave a habitable world for future generations while envisioning the technology of the future. Vestel continually strives to minimize all negative impacts on the environment with its new products and targets to increase its R&D investments toward the direction of sustainable innovation.

Vestel conducts its business processes in accordance with ISO 14001 Environment Management System (EMS), which is integrated with ISO 9001 Quality Management System (QMS) and adopted to Total Quality Approach,since 1998, ISO 14064-1 Greenhouse Gases Management System. Vestel also certified its Energy Management System with ISO50001 since 2012.

Vestel also implements Total Productive Maintenance (TPM) and Supply Chain Excellence (SCM) methodologies for cost reduction,quality and process improvement while increasing its competitive edge day by day through its flexible production structure.

VESTEL Electronics is the TV,smartphone,tablet, Led lightings,infomative screens, set top box manufacturing plant of VESTEL Group of Companies. Employing more than 7000 people, VESTEL's production facilities are located in MANISA in Turkey, it has a total annual production capacity of 15 million TV units and 3 million digital units. VESTEL Electronics has 6 production facilities; Electronic Board Production,Plastic Injection,Paint Shop,Styrofoam Production, Digital(Interactive Smartboards,Informative Screen,Touch screen) Production,Final Assembly Manufacturing (Led TV) at the highest quality standards requires discipline as well as knowledge and experience.

"Environmental sustainability" is an integral part of our business model. We are aware that our success as Vestel is closely linked to comprehensive management of sustainability issues. With this awareness, we map global risk trends that affect or are likely to affect our activities and manage these risks through a holistic approach which starts at the Holding level. We aim to build a smarter future by putting our planet and the society besides profitability at the core of our "Smart Life 2030" sustainability vision, which we started to implement throughout the Holding in 2019. Smart Life 2030 is developed in line with the 2030 Sustainable Development Goals (the SDGs).

Vestel Elektronik Sanayi ve Ticaret AŞ ('Vestel Elektronik'), one of the Holding's publicly traded companies, was included in the Borsa İstanbul ("BIST") Sustainability Index, which comprises of the listed companies with a high corporate sustainability performance, for the first time as of November 2nd 2015. As in 2016 and 2017, Vestel Elektronik continued to meet the required criteria for the BIST Sustainability Index and was included in the Index for the November 2019 - October 20120 period.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Turkey

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	(i)The highest level of direct responsibility for climate change rests with a member of the Executive Board responsible for top level management of all environmental, energy, and social responsibility issues also leader of Holding Sustainability project (Smart Life 2030). (ii)Position in the corporate structure and climate change related responsibilities: Executive Board Member reports directly to the Group CEO. The Sustainability Department carries out work under this person.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Executive Board Member and CFO; He is the leader of the Sustainability Department, the Zorlu Holding sustainability Project and the sustainability committee. Sustainability directorate; It works in cooperation with working groups such as environment, R&D-innovation, customer relations, supply chain, employees, corporate management and community relations. Sustainability and issues concern all employees. The departments hold periodic meetings in line with their "Smart Life 2030" targets. Employees collaborate with Universities to develop innovative ideas. In addition, S360 sustainability consultancy service is obtained as a third party.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board
Environment/ Sustainability manager	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CFO is the leader of the Zorlu Holding sustainability Project and the sustainability committee. The sustainability committee includes working groups such as environment, R&D-innovation, customer relations, supply chain, employees, corporate governance and community relations. All these committees have members from group companies such as Vestel Elektronik, and they hold periodic meetings in line with the "Smart Life 2030" main targets and 2022 sub-targets.

The sub-target on climate-related issues is to reduce carbon emissions per income ($) by 15%. All group companies reported their carbon and energy data to the chairmanship of the sustainability committee. Issues related to sustainability are followed by our web-based software programs. All data and scorecards can be seen in the program. At the same time, evidence documents and data are processed on the platform like Ecovadis. Customers and suppliers can see transparent data on this platform.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
All employees	Non-monetary reward	Please select	Employees can submit ideas for new environmental programs, and are eligible to receive spot awards such as gifts for coming up with ideas that enhances the company's overall environmental performance, including those that result in greenhouse gas emissions reductions according to TPM Suggestion&Appreciation Evaluation System. Vestel has been meticulously conducting activities as part of the TPM (Total Productive Management) program, a Japanese management model which targets operational excellence in production, for more than 10 years in its factories. Having won all other stage awards, Vestel received the World Class Award, which is the highest accolade in the TPM Program, awarded by the JIPM (Japan Institute of Plant Maintenance). With this success, Vestel received the title of being the first and only company in the world to receive this prestigious award in the consumer electronics sector with its simultaneous work at six different factories. Link: "http://www.vestelinvestorrelations.com/en/financials/annual-reports.aspx "
Business unit manager	Monetary reward	Please select	Notable performance on environment and climate change issues (e.g. site activities for GHG reduction and product design that contributes to energy efficiency) and prevention of environmental incidents are reflected on the annual performance evaluation of Business Units.
Executive officer	Monetary reward	Please select	Notable performance on environment and climate change issues (e.g. site activities for GHG reduction and product design that contributes to energy efficiency) and prevention of environmental incidents are reflected on the annual performance evaluation of Business Units.
Environment/Sustainability manager	Monetary reward	Please select	Notable performance on environment and climate change issues (e.g. site activities for GHG reduction and product design that contributes to energy efficiency) and prevention of environmental incidents are reflected on the annual performance evaluation of Business Units. Studies and actions have been taken to become a member of the Science-Based Target. At the same time, 34 companies made plastic commitments within the scope of the Business Plastics Initiative (IPG), which was implemented to prevent plastic pollution. Vestel Elektronik was among the companies that made plastic reduction commitments. https://plastikgirisimi.org/

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Short-term goals are the goals set to achieve in the near future. These goals are the ground goals made to achieve medium and long-term goals. These are the steps taken for our big goals. Product efficiency regulations and standards. Product labeling regulations and standards. Compliance with the laws of chemical ingredients used in the product. Extreme weather events may cause delays in product raw material import, product export. Plastic reduction in business. Energy efficiency projects Changing consumer behavior. Reputation.
Medium-term	1	3	The medium-term time frame covers the goals we want to achieve in the future. Because it usually requires a wider scope and more time. Recyclability in product and packaging. Plastic reduction in business. The goal of creating sustainable products.
Long-term	0	10	Our principles are goals linked to our vision and goals. We may be exposed to the risk of carbon taxes via our suppliers operating in certain parts of the world, where these taxes expected in the near future.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Strategic management and financial decisions in our organization;

Rather than classical financial management and decisions based on it, it contributes to the development of more competitive financial policies by developing proactive approaches on the effective and efficient use of resources primarily in the form of financial management in the modern framework, focusing on obtaining resources under appropriate conditions and reactive financial policies.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Medium-term

Description of process
It continuously improves energy performance by designing energy efficient processes and supplying energy efficient products and services. It provides savings in energy, water and natural resources by supporting efficiency increases and the use of new technologies. It develops innovative solutions in its products and processes to combat climate change. Vestel follows strategies for “zero waste” and “reduced carbon emissions” in line with Zorlu Holding Sustainability Strategy. Our target of reducing carbon emissions by 15% by 2022 has been achieved in 2020. Climate risks and opportunities are evaluated and road map meetings are held with the S360 firm, from which we receive sustainability consultancy. https://www.s360.com.tr/ A Sustainability directorate was established in our organization in 2020. A questionnaire was sent to all our stakeholders so that VESTEL could see its climate-related risks and opportunities more clearly. Prioritization analyzes were performed on the targets.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to loose 95% of our market.
Emerging regulation	Relevant, always included	We may be exposed to the risk of carbon taxes via our suppliers operating in certain parts of the world, where these taxes expected in the near future.
Technology	Relevant, always included	New technology structures such as Industry 4.0 and full automation systems can increase energy consumption.
Legal	Relevant, always included	If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to loose 95% of our market.
Market	Relevant, always included	Any failure related to implementation of our environment and climate friendly business strategy and reduced environmental performance in our activities may result in losing of our consumers and our market share.
Reputation	Relevant, always included	Our company also sees the risk in failing to actively disclose environment and climate related performance to current and potential investors and therefore affecting our stock prices.
Acute physical	Relevant, sometimes included	Extreme weather events may cause delays in product exports to countries worldwide.
Chronic physical	Relevant, always included	Reduced equipment efficiency due to temperature extremes may affect our manufacturing performance and/or increase our air conditioning costs.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
We may be exposed to the risk of carbon taxes via our suppliers operating in certain parts of the world, where these taxes expected in the near future.

Time horizon
Unknown

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
%10 of reveneu

Cost of response to risk

Description of response and explanation of cost calculation
Following and Managing of domestic and worldwide regulations, Zorlu Risk Management Group

Comment
Department and consultancy costs

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to loose 95% of our market.

Time horizon
Short-term

Likelihood
Very unlikely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Loose %95 of market

Cost of response to risk

Description of response and explanation of cost calculation
Following and Managing of domestic and worldwide regulations, Zorlu Risk Management Group, powerfull R&D

Comment
Department, research&development and consultancy costs

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
If we fail to comply with the product efficiency regulations and standards required for selling our products to EU and Domestic Market, there is a risk for us to loose 95% of our market.

Time horizon
Short-term

Likelihood
Very unlikely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Loose %95 of market

Cost of response to risk

Description of response and explanation of cost calculation
Following and Managing of domestic and worldwide regulations, Zorlu Risk Management Group, powerfull R&D

Comment
Department,research&development and consultancy costs.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Reduced equipment efficiency due to temperature extremes may affect our manufacturing performance and/or increase our air conditioning costs.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
%10 equipment costs

Cost of response to risk

Description of response and explanation of cost calculation
TPM(Total Productive Maintenance) project

Comment
Department and consultancy costs

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Extreme weather events may cause delays in product raw material import.

Time horizon
Short-term

Likelihood
Unlikely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Production delays, loose customers, punishments.

Cost of response to risk

Description of response and explanation of cost calculation
Supply Chain excellence office, Alternative supplier/material management.

Comment
Department,research&development and consultancy costs

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Extreme weather events may cause delays in product exports to countries worldwide.

Time horizon
Short-term

Likelihood
Unlikely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Shipment delays, loose customers, punishments

Cost of response to risk

Description of response and explanation of cost calculation
Shipment Operations Group, alternative shipment methodes

Comment
Department costs

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Our facilities comply with the “Energy Performance of Buildings Regulation”. Every year, projects and studies are carried out for energy efficiency improvements.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
%8 reveneu, %10 export capacity increase

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
We are closely monitoring such regulatory opportunities especially in the EU market, as our main market, by monitoring all upcoming regulations and standards starting

from their drafting.

Comment
We have invested the technical and administrative infrastructure required for compliance with the EU legislation related to product efficiency and eco-labelling.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Reduced direct costs

Company-specific description
It has become compulsory to label all TVs with EU and Domestic Market energy labels in order to be able to sales to EU countries and domestic market. As a company who has established its production infrastructure ensuring compliance with such expected regulation well ahead of its enforcement, we have gained competitive advantage in our market.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
%8 reveneu, %10 export capacity increase

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
We are closely monitoring such regulatory opportunities especially in the EU market, as our main market, by monitoring all upcoming regulations and standards starting from their drafting

Comment
We have invested the technical and administrative infrastructure required for compliance with the EU legislation related to product efficiency and eco-labelling.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Other, please specify (Increased demand for existing products)

Primary potential financial impact
Increased access to capital

Company-specific description
We have been observing an increased demand for our products during times when weather conditions encourage and/or force people to stay indoors such as snow and ice.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Please select

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Potential financial implications of the opportunity are hard to determine due to uncertainty related to such physical phenomena.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Managing inventory, advertising and sales channels

Comment
Seasonal costs are like high inventory cost and advertising costs.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased access to capital

Company-specific description
It is observed that the consumers' climate awareness is rising every year. As a company building its strategy upon sustainability of natural resources and materials in its operations, and investing in high technology helping to reduce the ecological footprint of its products, we see this as an important opportunity to drive more consumers to buying our products and continue to be an important player and keep our competitiveness in the market. Vestel Electronics is the manufacturer of Eco TVs with reduced power consumption in stand-by and operation mode and energy efficient LED TVs and LED lightings with low power consumption and long lifetime.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Please select

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We observe from the buying trends consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales. Despite the negative effects of the pandemic, domestic sales increased by 49% and export revenues increased by 18% in 2020. Our total turnover, on the other hand, reached 21.5 billion TL with a growth of 25%.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Managing regulations, research&development studies, advertising and sales channels.

Comment
We have made investment in our energy-efficient LED TV , LED Lighting, Touch screens, Smartphones production plant for business expansion and also solar systems, auto charger research and our R&D investments reached up to 250 million TRY in 2019 supported with our 'unlimited R&D budget' strategy.

Identifier
Opp5

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Please select

Company-specific description
Positive perceptions about VESTELs carbon performance by clients, investors and the general public will enhance its brand equity in the marketplace

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure
We observe from the buying trends consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales. Despite the negative effects of the pandemic, domestic sales increased by 49% and export revenues increased by 18% in 2020. Our total turnover, on the other hand, reached 21.5 billion TL with a growth of 25%.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Managing regulations, research&development studies, advertising and sales channels

Comment
We have made investment in our energy-efficient LED TV , LED Lighting, Touch screens production plant for business expansion and also solar systems ,auto charger research and our R&D investments reached up to 250 million TRY in 2018 supported with our 'unlimited R&D budget' strategy.

Identifier
Opp6

Where in the value chain does the opportunity occur?
Please select

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Please select

Company-specific description
VESTEL is confident that downturns in the economy will cause consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Please select

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We observe from the buying trends consumers to want more energy efficient products. This works in VESTEL's favor and will result in increased sales. Despite the negative effects of the pandemic, domestic sales increased by 49% and export revenues increased by 18% in 2020. Our total turnover, on the other hand, reached 21.5 billion TL with a growth of 25%.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Managing regulations, research&development studies, advertising and sales channels.

Comment
Smart and environmentally friendly products from Vestel .Vestel will launch the following products in 2020 developed and brought to the market. In the field of electronics and LED lighting .New products and technologies developed: • Enhanced image and sound technology, low cost Ultra HD HDR TV, • Alexa powered TV and remote area microphones, • Amazon Fire TV, • Native design, with whiteboard integrated new generation smart boards, • Digital display for passenger cars panel designs, • Infotainment for passenger cars system designs, • Electric vehicle charging station management system, • Electric vehicle ultra fast charging stations (AC - DC), • LED lighting fixtures suitable for M class road types, • Domestic LED lens modules suitable for asymmetric road types, • Ultraviolet disinfection box with LED.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
IEA Sustainable development scenario	For our sector and facility insfructure most convinient scenario analysis is IEA Sustainable development scenario.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Customers prefer more environmentally friendly products. We design TV products that consume less energy. We produce energy-saving Led Lighting products. We produce electric vehicle chargers.
Supply chain and/or value chain	Yes	We are careful in choosing suppliers to reduce our Scope 3 emissions. We are in contact with stakeholders for Scope 3 calculations.
Investment in R&D	Yes	We prefer investments that consume less energy. We design products that work with less energy.
Operations	Yes	We do not use fossil fuels in our production operations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Access to capital	

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2015

Target coverage
Site/facility

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2015

Covered emissions in base year (metric tons CO2e)
59987

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2022

Targeted reduction from base year (%)
15

Covered emissions in target year (metric tons CO2e) [auto-calculated]
50988.95

Covered emissions in reporting year (metric tons CO2e)

% of target achieved [auto-calculated]
<Calculated field>

Target status in reporting year
Please select

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
Years are both fiscal, that is base year is FY2015 and target year is FY2022 based on Zorlu Holding sustainability project. Because of merge operation with Vestel Digital Facility totally completed in 2015 and started third party verification, base year is changed as 2015 and base year's C02 data is recalculated.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*	5	720.18
Implemented*		
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)
720.18

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1234660

Investment required (unit currency – as specified in C0.4)
320000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Because of Scope1&Scope2 emissions which are caused by energy consumption, we are focusing energy efficiency projects.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Product

Description of product/Group of products
LED Lightning products(Downlight, Panel Light, spotlight, Weather-Proof Batten,High Bay,Canopy,Architectural Lighting, Street Light,Landscape Lighting etc..)

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Please select

% revenue from low carbon product(s) in the reporting year

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Vestel Electronics produces a wide range of LED Lighting solutions for retail,offices, hospitality, outdoor, healthcare, industrial and architectural use. Vestel LED Lighting solutions are designed to reduce the energy consumption significantly without compromising the light level and quality with a long lifecycle for these areas. The unique designs also help reducing operational and maintanence costs.

Level of aggregation
Product

Description of product/Group of products
LED TVs

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Please select

% revenue from low carbon product(s) in the reporting year

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Vestel Electronics produces a wide range of LED TVs.We have invested in R&D related to development of our LED TV product and also in R&D which has led to elimination of an emission/energy intensive step which used to be employed in soldering (Pin in Paste) process.

Level of aggregation
Product

Description of product/Group of products
Smart Home Kit

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Please select

% revenue from low carbon product(s) in the reporting year

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Vestel Electronics produces smart home kit product to manage home activities by reducing loses.We have invested in R&D related to development of our smart home design and production.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
2959

Comment
ISO 14064 methodology

Scope 2 (location-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
57028

Comment
ISO 14064 methodology

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
2216

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
2620

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
2691

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
2653

Start date
January 1 2017

End date
December 31 2017

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
52570

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 1

Scope 2, location-based
52477

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 2

Scope 2, location-based
53556

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 3

Scope 2, location-based
57355

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2017

End date
December 31 2017

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
20192.45

Emissions calculation methodology
Average data is used to calculate transportation of purchased raw materials.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
4.81

Please explain
This calculation includes the transportation emissions of all materials and components which are purchased during 2020.

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
19.78

Emissions calculation methodology
Average data is used to calculate transportation of purchased raw materials.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
This calculation includes the transportation emissions of 7 Banding Machines, 1 PSV7000 IC Programming Device, 1 Silicone Application Machine, 4 Compressors, 1 Functional Test Automation Machine, 10 Mechanical Test Automation Machines, 1 Automatik Light Bar Dispensing Machine, 5 Mold Conditioners, 14 SFU-Broadcast Test Systems, 2 Conveyors, 1 AGILENT GCMS Test Device, 1 Industry 4.0 Metal Press Equipment, 2 Clean Room Assembly Robots and Its Parts, 1 LEICA DVM6 Digital Microscope, 3 CA-P427 Color Analyzers, 1 HEXAGON Absolute Arm Device, 4 NORDSON ALTABLUE Devices, 1 Spectrometer.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
180.56

Emissions calculation methodology
Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate emissions of fuel and energy related activities(not included in Scope 1 or 2).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0.04

Please explain
This calculation includes fuel consumption of inside transportation trucks provided by subcontractors.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3.64

Emissions calculation methodology
Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate emissions of fuel and energy related activities(not included in Scope 1 or 2).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
This calculation includes emissions from the transportation of wastes between Vestel Electronics facilities and licenced waste companies and also Municipal Wastes CDP.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
568.32

Emissions calculation methodology
2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting is used to calculate total emissions of business travels.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0.14

Please explain
This calculation includes all business flights of Vestel Electronics employee.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
25689.38

Emissions calculation methodology
Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate employee commuting emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
6.12

Please explain
This calculation includes emissions from the transportation of employees between their homes and Vestel Electronics facilities. There are no facilities that are excluded from Scope 1 and 2 at this time that would therefore require inclusion in this category.

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain
There are no facilities that are excluded from Scope 1 and 2 at this time that would therefore require inclusion in this category.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1943.21

Emissions calculation methodology
Diesel/Gas oil emission factors that explained in IPCC(2006) are used to calculate employee commuting emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0.46

Please explain
This calculation includes the transportation emissions of sold products to domestic market and abroad markets.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
VESTEL does not currently have any major product lines that require additional processing and the majority of products are accounted for in the product LCAs.

Use of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
366708.62

Emissions calculation methodology
Last year, BVQİ EIME program study result data done by our customer is used as reference to calculate end of life treatment of sold products. this study has been used as reference.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
87.3

Please explain

End of life treatment of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
4761.23

Emissions calculation methodology
Last year, BVQİ EIME program study result data done by our customer is used as reference to calculate end of life treatment of sold products. this study has been used as reference.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
1.13

Please explain
BVQİ EIME program study result data done by our customer is used as reference to calculate end of life treatment of sold 7.579.857 pcs products.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000006

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
54787

Metric denominator
unit total revenue

Metric denominator: Unit total
8893953249

Scope 2 figure used
Location-based

% change from previous year
0.14

Direction of change
Decreased

Reason for change
The reason of decreasing is inreasing of productivity, prevention of loses and decreasing of electricity/natural gas consumption.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	2155	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	2	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	68.7	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Turkey	2216

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustion (Boilers)	1273.58
Mobile Combustion(off-road)	59.837
Mobile Combustion(on-road)	194.32
Stationary Combustion (Generators)	11.45
Leakage emissions	137.9
Other(Lubricating oil, grease, fertiliser)	0.75

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Turkey	52570		4196041	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Production	48206	
Administration	1314	
Design	1157	
Storage	17874	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	0	No change	0	
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	310	Decreased	0.0056	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	2739.46	
Consumption of purchased or acquired electricity	<Not Applicable>	0	85870	
Consumption of purchased or acquired heat	<Not Applicable>	0	4109110	
Consumption of purchased or acquired steam	<Not Applicable>		82860	
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>		4196040	

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
10393

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
56.1

Unit
metric tons CO2e per m3

Emissions factor source
IPCC (2006) , Vol2 , Cahpter 2 ,Tabel 2.4

Comment

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
1914

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
74100

Unit
metric tons CO2 per liter

Emissions factor source
IPCC (2006) , Vol2 , Cahpter 2 ,Tabel 2.4

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
33103

Metric numerator
Ton

Metric denominator (intensity metric only)
Unit of production

% change from previous year
0

Direction of change
No change

Please explain

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
High assurance

Attach the statement
1
VESTEL_ISO 14064_Verification Statement Certificate_2020.pdf

Page/ section reference
All pages

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
High assurance

Attach the statement
VESTEL_ISO 14064_Verification Statement Certificate_2020.pdf

Page/ section reference

Relevant standard
Other, please specify

Proportion of reported emissions verified (%)

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO 14064	

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We are using certain prices for carbon, a “theoretical” price of carbon, has been set to calculate in evaluation of our future projects and also operation improvements based on operational excellence and developing programs.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

95

% total procurement spend (direct and indirect)

95

% of supplier-related Scope 3 emissions as reported in C6.5

90

Rationale for the coverage of your engagement

Vestel has made investments on SNC(Supplier Network Collaboration), SLC (Supplier Lifecycle Management) and TM(Transportation Management) modules.Based onthe SNC(Supplier Network Collaboration) Project, more than 1200 supplier(%95 of total spend) was engaded of our value chain on GHG emissions and climate change strategies.

Impact of engagement, including measures of success

“Sustainability” is the key element of Vestel’s Environmental Compliance Management practices. Vestel reduces the environmental impacts of all the processes from production of raw material to disposal of product, complies with all the environmental law and regulations during the life cycle of product and commits this approach with its Environmental Policy. In order to manage the movement of raw materials into Vestel, certain aspects of the internal processing of materials into finished goods, and the movement of finished goods out of Vestel and toward the end consumer, Vestel has started SCM(Supply Chain Excellence Project) in 2019. The SCM will help us to reduce total supply chain management cost, to terminate non-value adding processes , to increase productivity and to reach perfect order fulfilment. Vestel has made investments on SNC(Supplier Network Collaboration) , SLC (Supplier Lifecycle Management) and TM(Transportation Management) modules. Also Vestel established Supply Chain Academy and continue to train SCM process employees from different levels at VESTEL.

Comment

Vestel uses all suppliers' data to improve capacity management, perfect order fulfilment, material and logistics costs, vendor capacity management and lead time. This project will reduce losses and unnecessary process and therefore it will help us to improve energy efficiency through Supply chain from suppliers to customers. Vestel SCM project also provides strict collaboration and communication tool with suppliers and subcontractors via Vestel Supplier Portal and Vestel SpecNet portal. All Vestel supplier has unique user-password to see their material which they supply to Vestel and must comply necessary regulations via these web sites.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

We are sharing all environmental (energy consumption, raw material usage, hazardous chemical details etc.) data of our products with our costumers

Impact of engagement, including measures of success

Because of our improvement on products related with on-mode/st-by mode power consumption, environmental friendly (less waste, zero hazardous substances), directly impact our customers and end users.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	We are engaging with policy makers, i.e. Ministry of Environment and Urbanisation, Ministry of Energy and Natural Sources, Ministry of Science, Industry and Technology as an individual company as well as with trade associations. During the EU energy labeling adaptation process in Turkey, Vestel shared its opinions with Ministry of Science, Industry and Technology.	Energy Labeling Regulation is completely supported by Vestel.
Other, please specify (standardization)	Support	We are engaging with Turkish Standards Institution via Mirror Committees. Because Turkish Standards Institution is a member of International Organization for Standardization (ISO), and the International Electrotechnical Commission (IEC) on 26 May 1955 and 1 January 1956 respectively, we as Vestel Electronics directly influence the consumer products, energy consumption and environment related standards.	As a major player, by joining Mirror Committees, we support the creation and improvement of the standards.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
TESID

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Electronic Industries in Turkey are organized in an independent association in order to deal with the common interests of the individual companies. In 2000, due to rapid changes in the high tech industry TESID has decided to widen its scope and include software houses and telecom operators accordingly. MISSION: Leading the Turkish Electronics Industry, Information Technologies and related service sectors towards continuous competitiveness and increasing its contributions to the national economy and the people. VISION: 1. Encouraging and supporting technological creativity to achieve a common goal among universities, industry and the government so that competitive, flexible, productive and high quality goods and services are produced. 2. To support: b) the development of a modern, globally competitive electronics industry. c) the expansion of capacity and productivity as well as the enchancement of the investment opportunities of the industry. d) the improvement of the standard of living of employees, for greater employee satisfaction. 3. Concerning policies, strategies, standards and development within the electronics industry. 4. Supporting the Electronics Industry to develop into a strong, environmentally aware, safety conscious establishment that is an overall positive contributor to the community.

How have you influenced, or are you attempting to influence their position?
Supporting the Electronics Industry to develop into a strong, environmentally aware, safety conscious establishment that is an overall positive contributor to the community.

Trade association
TURKBESD

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
White Goods Manufacturers' Association of Turkey, whose acronym is TÜRKBESD, was established in 1986 as White Goods Manufacturers' Association (BESD) by the leading white goods companies of the sector. In 1999, following its membership to the European Union's senior organization of the field CECED (European Committee of Domestic Equipment Manufacturers), the association received permission to use "Turkey" in its name through a Cabinet of Ministers decree, and changed its name to White Goods Manufacturers' Association of Turkey (TÜRKBESD). Currently, the association has six members: Arçelik, B/S/H, Candy Group, Demirdöküm, Indesit, and Vestel. The association represents approximately 90-91% of the sector. Additionally, TÜRKBESD represents Turkey at CECED (European Committee of Domestic Equipment Manufacturers), which is a platform where home appliance manufacturers in the European Union come together to make decisions. The efforts in the EU are pursued through this membership, and specialist technical personnel of the member companies participate in the technical committee works of the said organization. When needed and requested, the association makes statements to the relevant ministries, NGOs and media (Ministry of Science, Industry and Technology, Ministry of Environment and Urban Planning, Ministry of Energy and Natural Resources, Ministry of Economy, Ministry of Customs and Trade, General Directorate for the Protection of Consumers and Competition, the Union of Chambers and Commodity Exchanges of Turkey, Undersecretariat of Foreign Trade, Central Bank of the Republic of Turkey, TUSIAD [Turkish Industry and Business Association]).

How have you influenced, or are you attempting to influence their position?
Vestel is one of the board members of TURKBESD and works close with other members to drive TURKBESD policies related with energy efficiency, environmental compliance regulations. For instance, recent studies are about the determining control and collect methods of waste electrical and electronic equipments via directives such as AEEE.

Trade association
TUBISAD

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position
TUBISAD is representing the strongest collective voice of the companies operating in Information and Communications Technology (ICT) and New Media sectors. Over 200 active member companies of TUBISAD are governing an economic volume of annually 40 billion USD in Turkey. The primary mission of TUBISAD is to foster ICT in becoming the fundamental sector contributing to Turkey's economic growth and to promote collective interests of the member companies while abiding by universal values and maintaining its independency. TUBISAD's Member of Board combines 21 direct and 8 deputy members from the leaders of the Turkish ICT sector. Activities and Services 1 - Impact on Sectoral Policies ◦Increasing the level of support for innovation ◦Fostering the development of medium sized enterprises ◦Facilitating standardization of regulations imposed on taxation and foreign trade and auditing of compliance with them ◦Advocating widespread compliance with the copyright protection laws ◦Increasing the number of public services offered via electronic platforms ◦Supporting environment-friendly technologies 2 - Increasing Publicity and Awareness about the Sector ◦Creating awareness about the economic importance of the sector ◦Announcing nationwide and international success stories ◦Communicating collective objectives of the sector ◦Building strong relationships with the local and foreign press 3 - Sectoral Growth and Profitability ◦Development of local value added solutions and services ◦Launching sectoral standards, certification programmes and regulations ◦Fostering high quality in education and employment ◦Establishing proper conditions for fair competition ◦Fostering export sales of technological products and services ◦Enabling collaboration and information sharing among companies in sector 4 - Center for Reliable Commercial and Intellectual Information ◦Reliable sectoral data creation and sharing ◦Performing sectoral data analysis and market research ◦Informing the society about sectoral trends and estimates

How have you influenced, or are you attempting to influence their position?
Vestel is board member of Tubisad and drives/supports Tubisad environmental/climate change policy via Government Relations Committee.The objectives are following-up regulatory policy changes and developments related to the ICT sector, submitting collective opinion of the sector on improvement opportunities. Regulatory Policy Committee is supported by the following working groups each focusing on the related regulatory policies concerning the ICT sector; • Hardware Industry Regulations • European Union Alignment and Relations with DIGITALEUROPE • Environmental Regulations • Consumer Law • E-Invoice • Government Incentives related to ICT

Trade association
EU Trade Associations

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Vestel Electronics has membership on Trade Associations of some European countries via its sales offices i.e. Vestel Germany, Vestel UK, Vestel France, Vestel Italy, Vestel Iberia which are located in these countries.

How have you influenced, or are you attempting to influence their position?
We are engaging with European countries' policy makers by sharing our comments via Vestel sales offices.

Trade association
CECED

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Vestel Electronics has membership on CECED (The European Committee of Domestic Equipment Manufacturer).The membership type is direct membership.

How have you influenced, or are you attempting to influence their position?
Vestel is one of the direct members of CECED and works close with other members to drive CECED policies related with energy efficiency, environmental compliance regulations.

Trade association
AGID

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
AGID (Turkish Lighting Luminaires Manufacturers Association) is established in 1997 by 19 manufacturing companies of lighting fixtures and components, with the intention of realizing the following essential goals: To engender consciousness about the identity of the private sector, To advance individual and collective relationships between the representatives in the industry, To enhance theoretical/academic interactions through common efforts and agreements, To complete the process of conforming to international standards, To ensure the proper representation of Turkish manufacturing companies in the international marketplace, To protect the consumer rights.

How have you influenced, or are you attempting to influence their position?
Vestel is one of the members of AGID and works close with other members to drive AGID policies related with energy efficiency, environmental compliance regulations.

Trade association
LIA

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Lighting Industry Association is Europe's largest trade association for lighting equipment professionals. This includes lighting manufacturers, suppliers, retailers, wholesalers, designers and all professionals active in the UK lighting market.

How have you influenced, or are you attempting to influence their position?
Vestel is one of members of LIA and works close with other members to drive LIA policies related with energy efficiency, environmental compliance regulations.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Vestel Works with TUBITAK in many energy and energy related projects and creates results which may effects policies related with energy efficiency, environmental compliance regulations. The Scientific and Technological Research Council of Turkey (TÜBİTAK) is the leading agency for management, funding and conduct of research in Turkey. It was established in 1963 with a mission to advance science and technology, conduct research and support Turkish researchers. The Council is an autonomous institution and is governed by a Scientific Board whose members are selected from prominent scholars from universities, industry and research institutions.

TÜBİTAK is responsible for promoting, developing, organizing, conducting and coordinating research and development in line with national targets and priorities.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We are engaging with policy makers, i.e. Ministry of Environment and Urbanisation, Ministry of Energy and Natural Resources, Ministry of Science,Industry and Technology, Turkish Standards Institution as an individual company and also through TESID (Turkish Association of electronics and Information Industries), TURKBESD (Turkish White Goods Manufacturers' Association) , TUBISAD (Informatics Industry Association) CECED(The European Committee of Domestic Equipment Manufacturer), AGID and European countries' trade associations via Vestel sales offices. We have been invited by the Climate Platform, which we welcomed as it presents us the opportunity to engage in climate change issues within a network of companies having increased awareness. Our engagement with policy makers is mainly providing our feedback on transposition and/or implementation of relevant EU Directives. We have been advocating all actions that serve for improving the environmental performance required from our sector both related to manufacturing processes and the products themselves. We were the first company to have complied with the EU Directives relevant for our sector that encourages improving products energy efficiency and we have given our feedback many times in the process of aligning our legislation with the EU including, Energy Related Products(ErP) Eco-Design Directive, Energy Labeling Directive, Waste Electrical and Electronic Equipment (WEEE) Directive and Restriction Of The Use Of Certain Hazardous Substances (RoHS) Directive.

We process all our sustainability-related data on the Ecovadis platform and make it public.We have a sustainability department. We send environmental surveys to all stakeholders in our lifecycle.

We determine our priorities and strategy by analyzing according to these surveys.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary communications

Status
Underway – previous year attached

Attach the document

Page/Section reference

Content elements
Strategy

Comment

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Vestel-Elektronik-Green-Bond-Framework.pdf

Page/Section reference
Vestel Green Bond Framework

Content elements
Strategy

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	MANAGEMENT SYSTEMS MANAGER	Environment/Sustainability manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms